

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Costa Rica

Sugar Annual

Sugar production, consumption and trade

Approved By:

Stephen M. Huete, Agricultural Counselor

Prepared By:

Victor Gonzalez, Agricultural Specialist

Report Highlights:

Costa Rica's sugar cane production is forecast to increase by 3 percent in 2013/2014. Sugar production is expected to reach a record 471,000 MT in 2013/2014 as compared to 458,000 MT in 2012/2013. The higher production levels achieved during the last two harvests are the result of several actions undertaken by the sector to stop the decline in output experienced during previous harvests.

Executive Summary:

Costa Rica's sugar cane production in 2013/2014 is expected to increase to 4,491,000 MT as compared to 4,340,603 MT in 2012/2013 (3.46 percent higher). Sugar production is expected to increase roughly 3 percent to 471,000 MT in 2013/2014 as compared to 458,000 MT during the previous crop year. Favorable weather during 2013 and higher area planted were some of the positive factors resulting in higher output. The Costa Rican Sugar League (LAICA) has also taken several actions in coordination with millers and producers to reverse the declining trend in production that had affected the sugar sector. Some of these actions included plant renovation programs, the implementation of a national improved seed production program, and improved technical assistance to producers. Costa Rica continues to meet its U.S. quota allocations both under the WTO and the CAFTA-DR, and started using a sugar quota for exports to the European Union obtained as a result of a free trade agreement that entered into effect in October 2013.

Commodities:

Select

Production:

According to information from LAICA, during 2012/2013 there were 7,757 sugar producers in the country and 13 sugar mills, distributed in 6 regions of the country. An interesting statistic is that 92% (7,117) of the farmers delivered less than 500 MT of sugar to the mills. Based on the average yield for that harvest, this indicates that the majority of producers plant less than 7 ha. of sugar cane, showing the prevalence of small producers in this activity. During the 2012/2013 harvest, 58 percent of the sugar produced in the country came from the province of Guanacaste in the northern Pacific region. The majority of the sugar mills are owned by Costa Rican nationals, although at least one company is owned by Guatemalan investors. LAICA is the institution that regulates the relationship between producers and millers. LAICA is also involved in the marketing and sales of sugar and sugar products for domestic consumption and for export.

Based on preliminary data from LAICA, cane and sugar production are expected to reach 4,491,000 MT and 471,000 MT respectively during crop year 2013/2014. The last two calendar years (2012 and 2013) were drier, which was favorable for sugar cane production. The low production level of the 2010/2011 harvest (3.3 million tons of cane and 355,000 MT of sugar) resulted in great concern within the industry. To counter the production decline the sector made a concerted effort to return to a pattern of sustained growth with the implementation of the actions mentioned above (plant renovation, improved seed, improved technical assistance). According to industry representatives, the higher production achieved during the last two harvests is the result of those actions. As a result of these efforts, production is expected to remain high, increasing to 480,000 MT in 2014/2015.

Area Planted

Information gathered by LAICA during 2013, shows area planted to sugar cane to be higher than previously estimated. New estimates indicated that area planted is 63,316 ha. with 59,000 ha. being harvested. Area planted is expected to increase slightly in 2014/2015 as a result of interest from the larger mills to increase available sugar cane for processing. Most of the new areas have been planted in Guanacaste as the larger mills are trying to increase production to utilize their installed capacity. As a result of the reduction in area planted to rice, some producers have shifted production to sugar. Area planted has also increased in the northern region of the country (San Carlos and Los Chiles), while sugar mills in the Central part of the country are struggling in order to keep sugar area planted from declining. Competition from urbanization and high land prices, lower availability of labor, and higher production costs are slowly taking area away from sugar. Sugar production from the Central Valley has declined from 11.3 percent of the total in 2008/2009 to 6.9 percent in 2012/2013.

Yields

According to LAICA, the average sugar cane yield increased from 71.19 MT/ha. in 2011/2012 to 73.6 MT/ha. in 2012/2013. Cane yields are expected to remain high during the current harvest as a result of the factors mentioned in the production

section. The average sugar yield was 108.85 kg/ton in 2011/2012 and declined to 105.6 in 2012/2013. The sugar yield is expected to reach a similar level during 2013/2014.

Consumption:

Costa Rica's sugar consumption was 240,000 MT in 2012/2013, and it is forecast to increase slightly in 2013/2014 as a result of population growth and higher utilization by the food industry. Per capita sugar consumption is estimated at 50.92 kg. for 2012/2013. Costa Rica's per capita sugar consumption is relatively high, although it has declined from a record 59.2 kg in 1997-1998. Total sugar consumption is divided almost equally between direct consumption and industrial use. Costa Rican mills produce different types of sugar for the domestic market including white sugar, refined, white special, and raw sugar.

Trade:

Costa Rican sugar exports reached 166,364 MT during the 2012/2013 crop year. Exports are expected to reach 195,000 MT in 2013/2014. The main destinations for Costa Rica's sugar during that period were Indonesia, the United States, and the European Union. Exports to the United States include the U.S. WTO, and the CAFTA-DR sugar quotas. Costa Rica already exported its full WTO sugar quota to the U.S. for the 2014 fiscal year.

Stocks:

High ending stocks are the result of unexpected high production outpacing consumption and exports since 2011. The production forecast remains high for 2013/2014 even though world prices remain relatively weak.

Production, Supply and Demand Data Statistics:

Table 1: Sugar Cane for Centrifugal Sugar: Supply and Utilization

Sugar Cane for Centrifugal Costa Rica	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	58	63	59	63		64
Area Harvested	55	59	56	59		60
Production	4,280	4,340	4,300	4,491		4,500
Total Supply	4,280	4,340	4,300	4,491		4,500
Utilization for Sugar	4,280	4,340	4,300	4,491		4,500
Utilization for Alcohol	0		0			
Total Utilization	4,280	4,340	4,300	4,491		4,500
1000 HA, 1000 MT						

Table 2: Centrifugal Sugar: Production, Supply and Distribution

Sugar, Centrifugal Costa Rica	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	210	210	243	262		292
Beet Sugar Production	0	0	0	0		0
Cane Sugar Production	448	458	450	471		480
Total Sugar Production	448	458	450	471		480
Raw Imports	0	0	0	0		0
Refined Imp.(Raw Val)	0	0	0	0		0
Total Imports	0	0	0	0		0
Total Supply	658	668	693	733		772
Raw Exports	160	166	180	169		190
Refined Exp.(Raw Val)	0	0	0	26		30
Total Exports	160	166	180	195		220
Human Dom. Consumption	255	240	262	246		252
Other Disappearance	0	0	0	0		0

Total Use	255	240	262	246		252
Ending Stocks	243	262	251	292		300
Total Distribution	658	668	693	733		772
1000 MT						

Table 3: Centrifugal Sugar: Export Trade Matrix

Export Trade Matrix	
Costa Rica	
Sugar, Centrifugal	
MT	
Time Period	2012/2013
Exports for:	
U.S.	30,766
Others	
Indonesia	40,263
Sweden	33,000
Portugal	27,000
Belgium	17,963
Total for Others	118,226
Others not Listed	17,372
Grand Total	166,364